

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RN-02-1
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ORDER REGARDING CUSTOMER NOTICE

(Issued March 8, 2002)

On February 8, 2002, Interstate Power and Light Company (Interstate Power) filed with the Utilities Board (Board) a request for approval of a proposed rate notification pursuant to 199 IAC 7.4(1)"d"(1), which requires that all nonstandard notification notices be approved by the Board. Interstate proposed two alternative notices. The first is rate zone specific and provides customers with information on Interstate Power's proposed electric rate increase for their rate zone only. The second alternative provides information on the increases proposed for all four Interstate Power rate zones.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response on February 15, 2002. Consumer Advocate prefers alternative one but with a one page attachment to show the impacts of Interstate Power's proposal on customers in all four rate zones. Consumer Advocate suggested that if alternative two was chosen, language should be added to inform

customers what rate zone applied to them. Consumer Advocate also suggested language be added with respect to potential consolidation of rates in the four zones.

On February 28, 2002, the Large Energy Group (LEG) filed a response. The LEG prefers alternative two with language suggested by Consumer Advocate informing customers which of the four rate zones they are in.

Interstate Power filed a reply on March 1, 2002. Interstate Power suggested some language for alternative one that would address the possibility of rate consolidation being raised by another party to the proceeding. Interstate Power said that it was not proposing such consolidation in its upcoming filing.

Because of the rate disparities that exist in Interstate Power's four pricing zones, the Board believes one or more intervenors may propose that at least some progress be made towards consolidation of the four pricing zones in this docket. This information is important to customers, regardless of the zone they are in, as they determine whether or not to intervene in the proceeding. However, this information by itself is not sufficient. Customers also need information on all four pricing zones to analyze how rate consolidation could impact them. For these reasons, the Board will require that Interstate Power use alternative two for its customer notice, but with the following additions:

1. Insert after the first sentence of alternative two the words: "Interstate Power Company has four different geographic rate zones for its Iowa electric customers. You are located in the [IES Northern Zone] [IES Southeastern Zone] [IES Southern Zone] [IPC Zone]."

2. Include in the body of the notice after the charts showing the impacts of proposed final rates the following regarding potential rate consolidation: "We are proposing the same percentage increases shown above for customers in all geographic zones. The Iowa Office of Consumer Advocate or other intervenors in the rate case may propose percentage changes in rates that are not the same in each zone. Instead, they may propose to move rates towards an equalization point for all zones."

3. Because Interstate Power no longer maintains many district offices as the term is used in the Board's rules, the last paragraph of the notice is to be stricken and the following substituted: "A written explanation of all current and proposed rate schedules is available from a customer service representative at 1-800-ALLIANT or the local Interstate Power business office in your area. The information will be forwarded to you without charge. Also, if you have other questions, you may contact 1-800-ALLIANT or your local business office."

Including the additional language quoted above with alternative two provides customers with the most relevant information. Interstate Power is reminded that 199 IAC 7.4(1)"f"(2) requires the notice to be conspicuously marked with the words "Notice of Proposed Rate Increase." If the notice is a separate mailing, the rule requires that the outside of the mailing be similarly marked.

Interstate Power also requested that it be allowed to use average data from annual revenue reports and class percentage increases, rather than the median average referenced in 199 IAC 7.4(1)"c," to determine customer impacts. Because median average is not a defined term, Interstate Power's request is reasonable and is consistent with how customer impacts were determined in Interstate Power's last electric rate case, Docket No. RPU-94-2.

IT IS THEREFORE ORDERED:

The proposed rate case notice form, alternative two, filed by Interstate Power and Light Company on February 8, 2002, is approved, subject to the changes and additions discussed in the body of this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 8th day of March, 2002.